REMARKS

Claims 57-60, 62, and 64-74 are pending in this application. Claims 57, 58, 60, 62, and 66-70 have been amended. These amendments are supported throughout the subject specification, especially at pages 9-16. Claims 61 and 63 have been canceled. Claims 71-74 are new, and also are supported at pages 9-16 of the specification. Note that claim 74 depends from claim 72.

Applicants appreciate the Examiner's careful review of the present application. However, Applicants respectfully disagree with the conclusions reached in the Office Action.

Claims 57-70 stand rejected under 35 U.S.C. § 102 as anticipated by U.S. Pat. No. 6,832,211, to Thomas et al. These rejections are respectfully traversed.

Claims 57, 58, 60, 62, 64, and 66-70 have been amended to more clearly describe the scope of certain aspects of the claimed invention. Unlike Thomas, which attempts to value a company's stock based on the patent portfolio of the company, the present invention is directed to valuing securities after a relevant market has closed, based on market data – not on patent portfolio data. Indeed, a practitioner of Thomas's method seeks to find a "correct" value for a security of interest that is different from its liquid market price, so that a determination of whether the security is under-valued or over-valued can be made. Clearly these two inventions are completely unrelated.

Regarding the other claims: one of the basic principles of patent law is that in order for a reference to anticipate a claim under 35 U.S.C. § 102, each and every element of that claim must be taught by the reference. See MPEP § 2131: "To anticipate a claim, the reference must teach every element of the claim." The Office Action does not assert that all of the limitations of claims 58-70 are taught by Thomas. Consequently, the § 102 rejections of those claims should be withdrawn.

Claims 58-70 also stand rejected under 35 U.S.C. § 103 as unpatentable over Thomas. These rejections are respectfully traversed.

As explained above, Thomas teaches valuation of a company's stock based on that company's patent portfolio. Thomas does mention using a "Current Stock Price" variable (see,

e.g., column 2, lines 56-57), but gives no indication of the source of that price. One skilled in the art would likely assume that the price used on a particular day is the most recent closing price – i.e., a stale price. Thomas says nothing about whether the stock is assumed to be traded in a currently liquid market. Consequently, the rejection of claim 58 is unsupported and should be withdrawn.

Similarly, Thomas says absolutely nothing about in-sample step wise regression, as required by claim 59. Indeed, the Office Action does not cite to any text in Thomas to support the rejection of claim 59. Therefore, the rejection of claim 59 should be withdrawn.

Claims 60 and 62 are rejected based on a reference to column 5, lines 19-37 of Thomas. But claim 60 requires calculating a function of a recent depositary receipt price – and Thomas says nothing about depositary receipt prices. Likewise, claim 62 requires calculating a function of a *second* most recent closing price – and Thomas says nothing about such prices. Consequently, the rejection of claims 60 and 62 is unsupported and should be withdrawn.

To support the rejection of claim 64, which requires calculating a *rate of change* of a *futures index price*, the Office Action states: "see current Impact index, col. 4, ll. 23+." But those lines provide no support for the rejection of claim 64. As is clear from the referenced lines, a Current Impact Index "shows the impact of a company's patents on the latest technological developments." This has nothing to do with a futures index price. Applicants trust that the Patent Office is not asserting that one index renders the other obvious merely because both are indices. That would be analogous to asserting that one patent renders another obvious because both are patents.

But even if Thomas did teach something about a securities market futures index (he does not), he teaches nothing about calculating a fair value based on the *rate of change* of a securities market futures index. The Patent Office is not free to ignore claim limitations merely because they don't turn up in keyword searches. "Rate of change" is a substantive limitation. One's rate of change of position is one's velocity – not one's position. A reference teaching position does not necessarily teach velocity. Likewise, a reference teaching a securities market index does not necessarily teach a rate of change of a securities market index. In any event, Thomas teaches neither. Consequently, the rejection of claim 64 is improper. For the same reasons – i.e., in light

of the definition of Current Impact Index – the rejection of claim 65 is improper and should be withdrawn.

Claim 66, wherein calculating a fair value comprises selecting a subset of two or more variables from the plurality of variables, wherein said two or more variables have recently proven reliable in predicting an opening price for said first security, is rejected over Thomas, column 9, lines 41-67. But those lines of Thomas say nothing at all related to using variables that have recently proven reliable in predicting an opening price. This should be expected: since Thomas's method does not rely upon opening prices, he would have no need for variables that have proven reliable in predicting opening prices. The rejection of claim 66 is therefore unsupported, and should be withdrawn.

Claim 69 stands rejected based on the assertion that claim 1 of Thomas teaches electronically receiving a fair price for said first asset (now "first security," in Applicants' amended claim 69). That assertion is incorrect. Nothing in those lines (lines 41-67 of column 9 of Thomas) says anything at all about receiving a request for a fair value of a security. Of course, even if that limitation was taught, that wouldn't necessarily teach claim 69, since claim 69 depends from claim 1 and therefore has all of the limitations of claim 1. In any event, since Thomas does not teach electronically receiving a request for a fair price of a first security, the rejection of claim 69 is improper and should be withdrawn.

Similarly, claim 70 is rejected over Thomas, column 9, lines 41-67, even though those lines say nothing about historical data comprising "data regarding a local opening price for [a] first security." Since the rejection of claim 70 is unsupported, the rejection of that claim is improper and should be withdrawn.

These rejections are puzzling – the referenced lines clearly have nothing to do with the rejected claims, and yet those lines are used again and again to support claim rejections. If Applicants have overlooked some reason for this, clarification will be appreciated.

Claims 67 and 68, which are directed to basing a fair value calculation on historical data comprising data regarding at least one currency exchange rate, are rejected on the asserted ground that one skilled in the art practicing Thomas's invention would have been motivated to "have used a currency exchange rate when valuating stock from foreign companies that have US patents because such an artisan at the time of the invention would have sought to normalize the

valuation of stock based upon a commonly or widely used currency." This asserted ground for rejection is inaccurate, for several reasons.

First, that limitation is not enabled by Thomas or by the Patent Office's reasoning, which does not explain how a foreign currency exchange rate would be used in Thomas's formulas. A *prima facie* case of obviousness is not presented when the cited prior art fails to enable the claimed invention. See MPEP § 2121.01 ("The disclosure in an assertedly anticipating reference must provide an enabling disclosure of the desired subject matter; mere naming or description of the subject matter is insufficient . . . .").

Second, the "motivation" provided does not appear to be practical when applied to Thomas. The Patent Office does not explain how using a foreign currency exchange rate would allow one to "normalize the valuation of stock based upon" U.S. currency. For example, suppose IBM is the stock. IBM is traded on many different foreign exchanges. Which exchange rate does the Patent Office suggest one skilled in the art would use? If the exchange rates for all countries on which IBM's stock is traded are to be used, how are those exchange rates to be used – i.e., how are they to be plugged into Thomas's formulas? Vague and impractical "motivations" are not motivations at all, and cannot properly be used to support a claim rejection.

The Patent Office is respectfully reminded that in order to establish a *prima facie* case of obviousness, *three* basic criteria *all* must be met (see MPEP § 2143):

First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art at the time of the invention, to modify the reference or to combine reference teachings.

Second, there must be a reasonable expectation of success.

Third, the prior art reference(s) must teach or suggest all of the claim limitations.

But in this case, *none* of the required criteria are met, for any of the claims. The claim limitations are not found in Thomas, there is no suggestion or motivation to modify Thomas so that it would anticipate any of the claims, and there is no expectation that any such modifications would be successful. Thomas teaches a completely different invention.

New claims 71-74 are patentable over Thomas for at least the reasons provided above.

If the Patent Office continues to believe that the pending claims, as amended, read on Thomas, Applicants respectfully request the Patent Office to suggest claim amendments that will allow the claims to be patentable over Thomas. Thomas is clearly a completely different invention, so claim limitations that, in the opinion of the Patent Office, avoid Thomas should easily be ascertained.

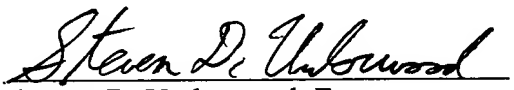
No statements made herein are intended to reduce the scope of the claims beyond that dictated by the plain wording of the claims themselves. Arguments regarding claim limitations are intended to apply only to claims explicitly possessing those limitations.

Applicants respectfully note that it is improper to ignore arguments made in response to office actions. See MPEP § 707(f): "Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it."

No fee, other than the extension fee authorized above and the RCE fee separately authorized, is believed to be due with this Response. However, if any other fee is due, please charge that fee to Deposit Account No. 50-0310.

Respectfully submitted,

Dated January 13, 2006



Steven D. Underwood, Esq.
Registration No. 47,205
MORGAN, LEWIS & BOCKIUS LLP
101 Park Avenue
New York, NY 10178-0060
(212) 309-6000
Customer No. 09629